

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

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meeting date: 24 JANUARY 2023  
title: LOCAL COUNCIL TAX SUPPORT SCHEME 2023/24  
submitted by: DIRECTOR OF RESOURCES  
principal author: MARK EDMONDSON

### 1 PURPOSE

- 1.1 To update Committee on the introduction of the Government Council Tax Support Fund for 2023/24.
- 1.2 To approve our Local Council Tax Support (LCTS) Scheme for 2023/24.

### 2 BACKGROUND

- 2.1 Local Council Tax Support (LCTS) replaced Council Tax Benefit in 2013/14. Council Tax Benefit was fully funded by the Government – the Council received 100% subsidy to compensate us for paying out Council Tax Benefit.
- 2.2 LCTS however is not paid as a benefit but instead is a discount on an individual's council tax bill. The Government replaced the subsidy with a grant payable to councils for the cost of LCTS. Crucially they reduced the amount from 100% to 90% and Councils were faced with either absorbing this reduction in funding on their general fund or meeting this from either reductions in council tax support or elsewhere within the council tax system. Importantly after the first year this "grant" was rolled-in to grant settlements and funding was reduced significantly.
- 2.3 After an initial consultation we introduced a scheme broadly similar to the old Council Tax Benefits Scheme but with a 12% (8.5% in the first year) reduction in entitlement for claimants of working age (pensioner claimants were protected by the government).
- 2.4 In response to the impact of the Covid Pandemic the Government introduced a £150 hardship payment for working age claimants of LCTS, for the financial year 2020/21.
- 2.5 A second consultation exercise was undertaken in Autumn 2021 and a decision was taken to remove the 12% reduction in support; applied to working age Local Council Tax Support claimants meaning that those most vulnerable residents could receive up to 100% in LCTS.
- 2.6 This resulted in increased LCTS for approximately 1,200 households 600 of which no longer had to pay Council Tax in 2022/23, greatly assisting our most vulnerable households during the cost of living crisis.

### 3 ISSUES

#### **Council Tax Support Fund 2023/24**

- 3.1 As a result of the cost of living crisis the Government announced £100 million of additional funding for Local Authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving Council Tax Support. Guidance and funding can be found at Annex A.
- 3.2 Funding has been allocated based on Local Council Tax Support caseload data and Ribble Valley has been allocated £55,503 (Annex A).

- 3.3 For 2023/24 the Government requires local authorities to reduce bills, for both working age and pensioner households in receipt of Local Council Tax Support by up to £25.
- 3.4 Where a taxpayer's liability for 2023/24, following the application of Local Council Tax Support is less than £25 then their liability will be reduced to nil. Where a taxpayer's liability for 2023/24 is nil, no reduction will apply.
- 3.5 Our current LCTS caseload is 2,095 (943 pensioners and 1,152 working age). However, 1,313 (569 pensioners and 744 working age) currently receive 100% LCTS so only 782 actually have to pay Council Tax.
- 3.6 During the year the number of LCTS cases fluctuates as new claims are made and entitlement ends for others. As a result the number of eligible households is likely to be 50% more than the caseload figures for any one day. As such we are likely to have approximately 1,200 households eligible for the Council Tax Support Fund in 2023/24.
- 3.7 Paying £25 to 1,200 households would use £30,000 of our allocation. Increasing the payment to £45 would use £54,000 allowing flexibility to ensure that the total spend does not exceed our allocation of £55,503.

### **Local Council Tax Support**

- 3.8 We are required to adopt a Local Council Tax Support Scheme each year as part of the budget setting process.
- 3.9 We are not proposing any significant changes to our scheme for 2023/24 expect for those that will keep it in line with the Housing Benefit Scheme and increase applicable amounts and premiums etc.

## **4 RISK ASSESSMENT**

- 4.1 The approval of this report may have the following implications:

- Resources – Funding for the Council Tax Support Fund (£55,503) has been provided by the Government. The cost of Local Council Tax Support falls on the collection fund and as such 75% Lancashire County Council, 12% Police and Crime Commissioner, 8% Ribble Valley Borough Council, 4% Lancashire Fire and Rescue and 1% Parishes.
- Technical, Environmental and Legal – Section 13A of the Local Government Finance Act 1992 empowers a billing authority to reduce Council Tax as it thinks fit.
- Political – The Government has allocated £55,503 to Ribble Valley for the most vulnerable households. It is essential that we ensure that all that allocation is passed to those households. The removal of the 12% reduction in our LCTS Scheme has provided assistance to our most vulnerable households during the cost of living crisis.
- Reputation – Failure to allocate the funding provided by Government to the most vulnerable households as quickly and efficiently as possible would have a negative reputational impact.
- Equality and Diversity – Our Local Council Tax Support Scheme is a means tested scheme linked to the national Housing Benefit Scheme. It provides support to vulnerable households by reducing the amount of Council Tax they are required to pay. The national scheme has in built protections relating to age and disability and those in the protected groups are more likely to be part of low income households.

5 RECOMMENDATION

- 5.1 Committee note the £55,503 allocation from Government for the Council Tax Support Fund 2023/24 and approve the allocation of up to £45 to each household in receipt of Local Council Tax Support where liability is not nil.
- 5.2 Approve our Local Council Tax Support Scheme for 2023/24 with minor changes to keep it in line with the Housing Benefit Scheme and uprate applicable amounts and premiums etc.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF6-23/ME/AC  
12 January 2023

For further information please ask for Mark Edmondson

## Council Tax Support Fund guidance

### About this guidance

1. This guidance is intended to support local authorities in using their allocation from the £100m Council Tax Support Fund, announced alongside the 2023-24 provisional Local Government Finance Settlement:

*“We are also today announcing £100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area”*

2. The funding is for the 2023-24 financial year. Provisional allocations for each local authority are set out at Annex A, with final allocations to be confirmed at the final Local Government Finance Settlement.
3. This guidance applies to England only. It outlines the underpinning principles for use of the fund and expected eligibility criteria for delivery of the support package.
4. Any enquiries on this document or use of the fund should be addressed to:  
Council.tax@levellingup.gov.uk

### Introduction

5. Council tax levels are a matter for local authorities to decide although the Government sets referendum principles so that residents can have the final say over excessive increases. At Autumn Statement 2022 the Government announced its intention to increase referendum principles to 3% for core council tax and up to 2% for the Adult Social Care precept, with additional flexibilities for some other authority types for both 2023-24 and 2024-25.
6. Recognising the impact of rising bills, the Government will be distributing £100m of new grant funding in 2023-24 for local authorities to support economically vulnerable households in their area with council tax payments.
7. Funding will be allocated to councils based on their share of local council tax support claimants according to the latest data. The Government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
8. This document provides guidance to authorities about the operation and delivery of the relief.

### Minimum reduction in council tax liability for local council tax support claimants

9. The Government recognises that council tax increases set by local authorities may mean some individuals may struggle to meet council tax payments.

10. Local authorities are required to put in place LCTS schemes to offer council tax reductions to those facing financial hardship and will be preparing their schemes for 2023-24 by the statutory deadline of 11 March.
11. To supplement this local support, the Government expects that billing authorities will use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS with an outstanding council tax liability, by up to £25. Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.
12. The discount should apply to current LCTS claimants that have an outstanding council tax liability for the 2023-24 financial year. Government expects councils to deliver this using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
13. Funding will be allocated to local authorities on the basis of their share of the LCTS claimants, based on Q2 data from 2022-23. The money will be paid out as soon as possible to local authorities through a grant under section 31 of the Local Government Act 2003.
14. Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, then their liability would be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited.
15. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.
16. Council tax reductions should be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.
17. Authorities will want to make their local populations aware of how the grant support package will be delivered e.g. through providing information on their websites.
18. It is the Government's intention that any assistance provided from the Council Tax Support Fund will not affect the eligibility of recipients for other benefits.

#### **Discretionary support**

19. The Government recognises that existing support mechanisms vary locally, including LCTS schemes, discretionary council tax discount/hardship schemes and local welfare schemes. Councils will want to consider using a proportion of their allocation to establish their own local approach to helping economically vulnerable households with council tax bills.
20. Local authorities should revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within their allocation.

#### **Funding allocations**

21. The funding is for the 2023-24 financial year. Allocations are set out in annex A and should be used within the 2023-24 financial year.

**Monitoring and reporting requirements**

22. Local authorities should maintain a record of support provided. In particular, councils should ensure that they are able to monitor and report on the level of expenditure provided to LCTS claimants through the provision of additional discounts. Local authorities should also maintain records of the mechanisms and levels of support provided through discretionary schemes.

23. The Department for Levelling Up, Housing and Communities will undertake a quarterly DELTA collection exercise to monitor implementation progress. Councils should therefore ensure they put in place arrangements to support this data collection process.

**New burdens**

24. The Government recognises that the implementation of this policy will place an additional burden on local authorities. In accordance with the New Burdens doctrine the government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy, such as staffing and software costs, working closely with local government in doing so.

**Annex A: Funding allocations**

| <b>Local authority</b>            | <b>Funding allocation (£)</b> |
|-----------------------------------|-------------------------------|
| Adur                              | 94,903                        |
| Allerdale                         | 186,117                       |
| Amber Valley                      | 217,269                       |
| Arun                              | 239,565                       |
| Ashfield                          | 257,460                       |
| Ashford                           | 227,310                       |
| Babergh                           | 117,858                       |
| Barking & Dagenham                | 405,573                       |
| Barnet                            | 748,633                       |
| Barnsley                          | 612,616                       |
| Barrow-in-Furness                 | 153,938                       |
| Basildon                          | 352,416                       |
| Basingstoke & Deane               | 204,091                       |
| Bassetlaw                         | 197,239                       |
| Bath & North East Somerset        | 246,760                       |
| Bedford                           | 282,075                       |
| Bexley                            | 361,139                       |
| Birmingham                        | 3,035,699                     |
| Blaby                             | 103,390                       |
| Blackburn with Darwen             | 406,100                       |
| Blackpool                         | 502,981                       |
| Bolsover                          | 166,562                       |
| Bolton                            | 617,940                       |
| Boston                            | 113,325                       |
| Bournemouth, Christchurch & Poole | 636,995                       |
| Bracknell Forest                  | 128,690                       |
| Bradford                          | 1,150,728                     |
| Braintree                         | 200,744                       |
| Breckland                         | 213,105                       |
| Brent                             | 722,279                       |
| Brentwood                         | 87,788                        |
| Brighton and Hove                 | 491,912                       |
| Bristol                           | 885,177                       |
| Broadland                         | 156,284                       |
| Bromley                           | 365,066                       |
| Bromsgrove                        | 104,391                       |
| Broxbourne                        | 143,871                       |
| Broxtowe                          | 171,201                       |
| Buckinghamshire UA                | 634,939                       |
| Burnley                           | 260,042                       |
| Bury                              | 346,328                       |
| Calderdale                        | 436,224                       |
| Cambridge                         | 176,076                       |
| Camden                            | 592,139                       |

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|---------------------------|-----------|
| Cannock Chase             | 191,072   |
| Canterbury                | 253,928   |
| Carlisle                  | 195,948   |
| Castle Point              | 114,090   |
| Central Bedfordshire      | 349,148   |
| Charnwood                 | 202,984   |
| Chelmsford                | 184,879   |
| Cheltenham                | 173,493   |
| Cherwell                  | 164,691   |
| Cheshire East             | 521,192   |
| Cheshire West and Chester | 536,293   |
| Chesterfield              | 237,588   |
| Chichester                | 170,515   |
| Chorley                   | 170,884   |
| City of London            | 6,747     |
| Colchester                | 232,528   |
| Copeland                  | 141,156   |
| Cornwall                  | 1,102,683 |
| Cotswold                  | 102,731   |
| Coventry                  | 694,474   |
| Craven                    | 65,413    |
| Crawley                   | 183,561   |
| Croydon                   | 695,634   |
| Dacorum                   | 195,131   |
| Darlington                | 247,867   |
| Dartford                  | 177,631   |
| Derby                     | 438,385   |
| Derbyshire Dales          | 83,755    |
| Doncaster                 | 642,266   |
| Dorset                    | 591,427   |
| Dover                     | 233,609   |
| Dudley                    | 640,236   |
| Durham                    | 1,439,998 |
| Ealing                    | 630,696   |
| East Cambridgeshire       | 95,062    |
| East Devon                | 216,504   |
| East Hampshire            | 113,510   |
| East Hertfordshire        | 136,992   |
| East Lindsey              | 324,427   |
| East Riding of Yorkshire  | 511,019   |
| East Staffordshire        | 161,924   |
| East Suffolk              | 404,835   |
| Eastbourne                | 216,346   |
| Eastleigh                 | 130,667   |
| Eden                      | 75,269    |
| Elmbridge                 | 139,707   |



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|----------------------|---------|
| Enfield              | 934,856 |
| Epping Forest        | 156,653 |
| Epsom and Ewell      | 70,525  |
| Erewash              | 218,349 |
| Exeter               | 186,776 |
| Fareham              | 99,331  |
| Fenland              | 190,492 |
| Folkestone & Hythe   | 250,502 |
| Forest of Dean       | 136,280 |
| Fylde                | 135,015 |
| Gateshead            | 525,224 |
| Gedling              | 172,624 |
| Gloucester           | 221,275 |
| Gosport              | 123,604 |
| Gravesham            | 163,768 |
| Great Yarmouth       | 267,185 |
| Greenwich            | 557,904 |
| Guildford            | 104,602 |
| Hackney              | 709,312 |
| Halton               | 306,269 |
| Hambleton            | 111,217 |
| Hammersmith & Fulham | 352,442 |
| Harborough           | 78,063  |
| Haringey             | 719,854 |
| Harlow               | 175,681 |
| Harrogate            | 190,360 |
| Harrow               | 346,275 |
| Hart                 | 70,657  |
| Hartlepool           | 348,937 |
| Hastings             | 236,560 |
| Havant               | 221,354 |
| Havering             | 364,539 |
| Herefordshire        | 304,556 |
| Hertsmere            | 162,424 |
| High Peak            | 151,065 |
| Hillingdon           | 474,359 |
| Hinckley & Bosworth  | 129,165 |
| Horsham              | 145,531 |
| Hounslow             | 483,109 |
| Huntingdonshire      | 182,111 |
| Hyndburn             | 182,691 |
| Ipswich              | 276,356 |
| Isle of Wight        | 265,261 |
| Isles of Scilly      | 1,950   |
| Islington            | 665,089 |
| Kensington & Chelsea | 360,401 |

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|---------------------------|-----------|
| Kings Lynn & West Norfolk | 250,054   |
| Kingston upon Hull        | 798,075   |
| Kingston upon Thames      | 212,103   |
| Kirklees                  | 922,390   |
| Knowsley                  | 470,169   |
| Lambeth                   | 624,687   |
| Lancaster                 | 264,180   |
| Leeds                     | 1,662,116 |
| Leicester                 | 656,313   |
| Lewes                     | 168,249   |
| Lewisham                  | 557,403   |
| Lichfield                 | 130,851   |
| Lincoln                   | 222,803   |
| Liverpool                 | 1,722,389 |
| Luton                     | 299,337   |
| Maidstone                 | 253,164   |
| Maldon                    | 85,917    |
| Malvern Hills             | 102,125   |
| Manchester                | 1,286,349 |
| Mansfield                 | 223,989   |
| Medway                    | 411,292   |
| Melton                    | 56,478    |
| Mendip                    | 158,023   |
| Merton                    | 266,684   |
| Mid Devon                 | 97,776    |
| Mid Suffolk               | 114,116   |
| Mid Sussex                | 151,355   |
| Middlesbrough             | 473,542   |
| Milton Keynes             | 420,886   |
| Mole Valley               | 87,471    |
| New Forest                | 208,018   |
| Newark & Sherwood         | 175,971   |
| Newcastle upon Tyne       | 992,046   |
| Newcastle-under-Lyme      | 212,367   |
| Newham                    | 770,798   |
| North Devon               | 169,382   |
| North East Derbyshire     | 179,476   |
| North East Lincolnshire   | 340,583   |
| North Hertfordshire       | 191,810   |
| North Kesteven            | 142,500   |
| North Lincolnshire        | 268,054   |
| North Norfolk             | 203,643   |
| North Northamptonshire    | 460,101   |
| North Somerset            | 310,960   |
| North Tyneside            | 426,684   |
| North Warwickshire        | 99,805    |

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|---------------------------|-----------|
| North West Leicestershire | 124,315   |
| Northumberland            | 654,441   |
| Norwich                   | 347,698   |
| Nottingham                | 817,735   |
| Nuneaton & Bedworth       | 235,348   |
| Oadby & Wigston           | 64,701    |
| Oldham                    | 572,847   |
| Oxford                    | 244,230   |
| Pendle                    | 203,327   |
| Peterborough              | 314,122   |
| Plymouth                  | 607,135   |
| Portsmouth                | 349,016   |
| Preston                   | 315,414   |
| Reading                   | 208,967   |
| Redbridge                 | 452,538   |
| Redcar & Cleveland        | 361,113   |
| Redditch                  | 146,506   |
| Reigate & Banstead        | 142,553   |
| Ribble Valley             | 55,503    |
| Richmond upon Thames      | 220,115   |
| Richmondshire             | 54,871    |
| Rochdale                  | 552,633   |
| Rochford                  | 95,958    |
| Rossendale                | 134,857   |
| Rother                    | 170,647   |
| Rotherham                 | 605,896   |
| Rugby                     | 134,304   |
| Runnymede                 | 79,433    |
| Rushcliffe                | 123,446   |
| Rushmoor                  | 125,923   |
| Rutland                   | 33,919    |
| Ryedale                   | 80,435    |
| Salford                   | 687,701   |
| Sandwell                  | 831,308   |
| Scarborough               | 256,537   |
| Sedgemoor                 | 188,410   |
| Sefton                    | 648,881   |
| Selby                     | 117,226   |
| Sevenoaks                 | 159,420   |
| Sheffield                 | 1,138,025 |
| Shropshire                | 403,570   |
| Slough                    | 253,296   |
| Solihull                  | 339,502   |
| Somerset West & Taunton   | 278,069   |
| South Cambridgeshire      | 156,547   |
| South Derbyshire          | 126,687   |

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|-------------------------|---------|
| South Gloucestershire   | 290,245 |
| South Hams              | 130,930 |
| South Holland           | 130,193 |
| South Kesteven          | 195,210 |
| South Lakeland          | 123,367 |
| South Norfolk           | 181,400 |
| South Oxfordshire       | 131,563 |
| South Ribble            | 145,926 |
| South Somerset          | 247,208 |
| South Staffordshire     | 144,925 |
| South Tyneside          | 463,844 |
| Southampton             | 503,244 |
| Southend-on-Sea         | 331,121 |
| Southwark               | 628,482 |
| Spelthorne              | 116,356 |
| St Albans               | 158,708 |
| St Helens               | 388,127 |
| Stafford                | 172,887 |
| Staffordshire Moorlands | 123,103 |
| Stevenage               | 137,677 |
| Stockport               | 511,836 |
| Stockton-on-Tees        | 451,879 |
| Stoke-on-Trent          | 597,541 |
| Stratford-on-Avon       | 165,429 |
| Stroud                  | 148,746 |
| Sunderland              | 819,369 |
| Surrey Heath            | 60,511  |
| Sutton                  | 308,034 |
| Swale                   | 256,880 |
| Swindon                 | 283,630 |
| Tameside                | 455,437 |
| Tamworth                | 131,563 |
| Tandridge               | 93,533  |
| Teignbridge             | 244,335 |
| Telford & Wrekin        | 355,710 |
| Tendring                | 325,376 |
| Test Valley             | 123,077 |
| Tewkesbury              | 125,264 |
| Thanet                  | 344,747 |
| Three Rivers            | 98,620  |
| Thurrock                | 244,151 |
| Tonbridge & Malling     | 171,938 |
| Torbay                  | 334,257 |
| Torridge                | 103,495 |
| Tower Hamlets           | 761,046 |
| Trafford                | 347,250 |

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|-----------------------|---------|
| Tunbridge Wells       | 146,480 |
| Uttlesford            | 84,546  |
| Vale of White Horse   | 123,103 |
| Wakefield             | 778,177 |
| Walsall               | 735,588 |
| Waltham Forest        | 407,893 |
| Wandsworth            | 383,514 |
| Warrington            | 321,212 |
| Warwick               | 191,494 |
| Watford               | 142,237 |
| Waverley              | 117,226 |
| Wealden               | 177,025 |
| Welwyn Hatfield       | 162,530 |
| West Berkshire        | 138,468 |
| West Devon            | 85,969  |
| West Lancashire       | 229,550 |
| West Lindsey          | 160,263 |
| West Northamptonshire | 495,997 |
| West Oxfordshire      | 114,643 |
| West Suffolk          | 227,547 |
| Westminster           | 416,063 |
| Wigan                 | 659,317 |
| Wiltshire             | 676,342 |
| Winchester            | 150,512 |
| Windsor & Maidenhead  | 113,299 |
| Wirral                | 789,483 |
| Woking                | 100,016 |
| Wokingham             | 103,153 |
| Wolverhampton         | 660,529 |
| Worcester             | 170,225 |
| Worthing              | 146,401 |
| Wychavon              | 179,950 |
| Wyre                  | 235,954 |
| Wyre Forest           | 210,311 |
| York                  | 214,818 |